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## State of Utah Department of Commerce Division of Securities

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### NEWS RELEASE

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#### **Order accuses California Ex-Con of International Securities Scam** ***Utah investor loses \$45,000 with false promises of doubling his money ...***

**SALT LAKE CITY, Utah** – The Utah Division of Securities today issued an Order to Show Cause against Thomas Mitchell Johnson, of Los Angeles for selling stock in a British company he did not own.

According to the Division's Order, Johnson claimed to be the CEO of a private investment banking firm called Zurich Capital Holdings, Inc., of Beverly Hills. In April 2005, Johnson solicited a Utah investor to purchase stock in a company called Telsecure Europe. Johnson said Telsecure develops technology used to authenticate credit card purchases over the Internet and telephone. Johnson claimed to have the rights to sell Telsecure stock in the United States. In reality, Johnson had no stock in Telsecure to sell and was not authorized by the company to sell its stock.

Johnson promised the investor that the investment would double in value within two to four months, saying this investor would own 1% of the company. He said the investment was secure and the investor could get his money back at any time. Johnson said the company was due to receive significant outside funding within a few months.

The investor's funds were deposited into the account of a company called Dansco, which appears to be controlled by Johnson. The California Department of Corporations has agreed to assist the Division in determining where the money was held and how it was spent. Johnson did confirm receipt of the investor money with a letter from his other company, Zurich Capital Holdings.

Johnson failed to tell the investor that he had two prior criminal convictions for grand theft, one in 1986 and another in 1994. He did not disclose that he owned no stock in Telsecure and had no rights to market its stock.

The order seeks to impose a cease and desist order against Johnson and the imposition of \$50,000 in fines. A hearing will be held in July on the Divisions' charges.

Investors are urged to contact the Division to make sure anyone offering investments is licensed. 801.530.6600, or toll free at 1.800.721.7233. [www.securities.utah.gov](http://www.securities.utah.gov).